

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;
Nora Mead Brownell, and Suedeene G. Kelly.

Midwest Independent Transmission System
Operator, Inc.

Docket No. ER06-493-001

ORDER GRANTING MOTION FOR CLARIFICATION

(Issued April 10, 2006)

1. On March 16, 2006, the Commission issued an order conditionally accepting proposed revisions filed by the Midwest Independent Transmission System Operator, Inc. (Midwest ISO) to section 7 and Attachment L of its Open Access Transmission and Energy Markets Tariff (TEMT or tariff) which provides the Midwest ISO with the authority to suspend, pursuant to a notice procedure, any and all services under the TEMT to customers in default, without prior Commission approval.¹ On March 23, 2006, the Midwest ISO filed a motion for clarification and requested a shortened comment period and expedited action. In this order, the Commission grants the Midwest ISO's motion seeking clarification that the Midwest ISO's suspension authority should be limited to defaults arising under sections 7.13(a) and 7.13(b) *and* the Midwest ISO's Credit Policy.

Background

2. In the March 16 Order, the Commission conditionally granted the Midwest ISO's requested suspension authority, subject to certain modifications. Among these modifications was the limitation of the Midwest ISO's suspension authority to "financial

¹ *Midwest Indep. Transmission Sys. Operator, Inc.*, 114 FERC ¶ 61,278 (2006) (March 16 Order).

defaults.”² The Commission stated, in relevant part, that “[w]e agree with the Midwest ISO’s suggested revision to limit its suspension authority to defaults arising under sections 7.13(a) and 7.13(b), and direct it to revise the tariff accordingly.”³

3. The Midwest ISO requests the Commission clarify the March 16 Order to ensure that its proposed suspension authority is “limited to Defaults arising under sections 7.13(a), 7.13(b) and the Midwest ISO’s Credit Policy.”⁴ The Midwest ISO notes that Credit Policy Defaults resulting from Total Potential Exposures are “a particularly dangerous set of financial Defaults” that were “one of the primary concerns that animated the Midwest ISO’s proposal.”⁵

Discussion

4. The Commission grants the Midwest ISO’s motion for clarification. Our intent in the March 16 Order was to limit the scope of the Midwest ISO’s suspension authority to financial defaults in response to intervenor concerns and addressed by the Midwest ISO’s answer.⁶ We clarify that the Midwest ISO’s suspension authority should be limited to defaults arising under sections 7.13(a) and 7.13(b) *and* the Midwest ISO’s Credit Policy, and direct it to revise the tariff accordingly in the compliance filing required by the March 16 Order.

² *Id.* at P 36.

³ *Id.*

⁴ Midwest ISO Motion for Clarification at 3 (emphasis in the original).

⁵ *Id.* at 2, 3.

⁶ *Compare* March 16 Order at P 33 (noting “the Midwest ISO indicates it is willing to clarify that its proposed suspension authority is limited solely to ‘financial’ defaults, that is, those arising under sections 7.13(a) and 7.13(b) of the TEMT and/or the Midwest ISO’s Credit Policy”) *with* P 36 (noting our agreement with “the Midwest ISO’s suggested revision” as to financial defaults).

The Commission orders:

The Midwest ISO's request for clarification is hereby granted, as discussed in the body of this order.

By the Commission.

(S E A L)

Magalie R. Salas,
Secretary.